United Nations A/62/704

General Assembly

Distr.: General
19 February 2008

Original: English

Sixty-second session
Agenda item 134
Joint Inspection Unit

Report of the Joint Inspection Unit on results-based management in the United Nations in the context of the reform process

Note by the Secretary-General

The Secretary-General has the honour to transmit for the consideration of the members of the General Assembly his comments on the report of the Joint Inspection Unit entitled "Results-based management in the United Nations in the context of the reform process" (see A/61/805).

08-24431 (E) 290208

Summary

In its report (see A/61/805), the Joint Inspection Unit reviewed the evolution of results-based management at the United Nations. It highlighted and analysed the components of the concept vis-à-vis the benchmarking framework developed by the Unit in its series of reports on the subject. The Secretary-General is committed to the full implementation of a Secretariat-wide results-based management strategy in accordance with General Assembly mandates and within the limitations of available resources. He concurs with the Unit that the comprehensive implementation of results-based management will result in tangible improvements in the formulation and implementation of programmes and activities. The recommendations in the Joint Inspection Unit report were taken into consideration for the development of the proposed results-based management framework as presented in the report of the Secretary-General on the subject (A/62/701), aimed at improving the governance and oversight of the Organization and the effectiveness and accountability of management. The proposed framework is intended to facilitate the full realization of results-based management by fostering a more results-oriented culture in the Secretariat and providing the necessary tools and capacity to allow managers to focus on results and outcomes on the basis of effective planning, budgeting, monitoring of implementation and evaluation. In order to ensure that a consistent and informed response was made to the Joint Inspection Unit report, the present note was finalized only after the finalization of the report of the Secretary-General.

I. Introduction

1. The present document is submitted pursuant to article 11 (4) of the statute of the Joint Inspection Unit. The Secretary-General is pleased to comment on this timely study taking into account the complex process of reform faced by the United Nations, especially in the light of the recent consideration by the General Assembly of the report of the independent Steering Committee entitled "Comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies" (A/60/883/Add.1 and 2). The Secretary-General is submitting proposals for improvement of results-based management in the Secretariat based on the findings of a review, including analysis and an action plan for implementation. While considerable work has been done to strengthen existing organizational systems, such as results-based budgeting, compacts and the electronic performance appraisal system (e-PAS), further effort is required to institutionalize results-based management; to enhance the use of information on results to make better decisions; to steer efforts towards clearly defined goals; to focus on results in policy-setting; and to design better strategies within an overall accountability framework. The active participation of Member States in this process is crucial to ensuring ongoing commitment and support for results-based management in the long term.

II. General comments

2. The concept of results-based management was introduced, albeit indirectly and with different terminology, with the introduction of programme budgeting in 1974 when efforts were made to indicate accomplishments and future goals in the budget document. With the introduction of the programme planning, budgeting, monitoring and evaluation cycle in the 1980s, procedures were put in place for determining the relevance, efficiency and effectiveness of the work of the Organization during and following the implementation of mandates.

3. By implication, the above-mentioned procedures required programme managers to manage their work with a view to achieving results. Results-based budgeting, as adopted by the General Assembly in its resolution 55/231, provided a mechanism by means of which the budget instrument could be used to articulate objectives, expected results and indicators of achievement (logical framework) prior to implementation. Implementation of a results-oriented approach at the Secretariat has therefore been a gradual process in which the focus is still evolving from output delivery towards achievement of results. While results-based budgeting is just one of the tools or processes for determining expected results, results-based management is action taken for overall management of resources and staff within the planning, budgeting, monitoring and evaluation cycle.

III. Specific comments on Joint Inspection Unit recommendations

Recommendation 1

The General Assembly may wish to establish a golden rule whereby new reports on the same reform or management processes should be accompanied by an evaluation of the implementation and impact of previous processes.

4. The Secretary-General agrees in principle with the recommendation and points out that evaluation of approved and implemented reform processes does occur at the Secretariat to the extent that resources allow. It would ultimately be unwise to put in place a reform process that is unresponsive to the changing environment and the lessons learned from past experiences. However, lack of adequate resources continues to be one of the Secretariat's major constraints in advancing the kind of evaluations needed to assess the impact of activities. That notwithstanding, evaluations are being conducted to the extent possible and the approach of the Secretary-General is being adjusted accordingly. It is the Secretary-General's view that any comprehensive assessment of the impact of the various reform measures must be accompanied by resources allocated specifically for that purpose. Areas of recent reform with regard to which detailed assessments and evaluations took place include security, human resources and procurement services.

5. With regard to the Department of Peacekeeping Operations, results-based management principles are being observed and implemented in its operations within the scope of its current format for reporting to the General Assembly and the Security Council. The report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809, known as the Brahimi report) is one clear example in the recent past of a full assessment to strengthen peacekeeping operations. A report on the 2003 status of implementation of the 2002 reforms was also issued and another major assessment of the human resources reforms involving the Department is being considered by the General Assembly. Furthermore, the Assembly acted on a proposal by the Secretary-General, following an evaluation, to restructure the Department, establishing the new Department of Field Support, which took into consideration the recommendations of the Office of Internal Oversight Services to strengthen the management structures of the Department of Peacekeeping Operations.

Recommendation 2

As the way to bring coherence to the current reform process, the General Assembly should request the Secretary-General to frame his reform proposals within the context of the approved benchmarking framework for the implementation of results-based management in the United Nations.

Recommendation 3

The Secretary-General should, with immediate effect, develop a results-based management corporate conceptual framework and a time-bound implementation strategy or road map for consideration and approval by the General Assembly. In so doing, the Secretary-General should refer to the approved benchmarking framework for results-based management with a view to promoting common understanding of results-based management; providing clear definitions of results-based management concepts and techniques;

harmonizing results-based management tools and terminology within the organization; adapting results-based management to the business and operations of the organization at all levels and emphasizing the implications and requirements of such an adaptation.

6. The Secretary-General concurs with the basic approach contained in recommendations 2 and 3 and is submitting a report on results-based management (A/62/701) to the General Assembly, pursuant to its resolution 61/245, outlining proposals for a results-based management framework, including an action plan for implementation.

7. However, the uniform and standardized implementation of the benchmarks may not necessarily be applicable or beneficial in all cases.

Recommendation 4

In developing the above-mentioned corporate conceptual framework, the Secretary-General should elaborate on concrete proposals and related transparency and accountability commitments for a fair division of labour between the legislative organs, the Secretariat and the oversight bodies.

8. The Secretary-General concurs with the recommendation and is submitting a report on an accountability framework to the General Assembly (A/61/701), pursuant to its resolution 61/245, outlining proposals for strengthening the current accountability framework.

Recommendation 5

The Secretary-General, in his capacity as Chairman of the United Nations system Chief Executives Board for Coordination, should discuss the preparation of an institutional framework within the Board, proposing the operational doctrine, the rules of engagement, the guidelines and a road map for the United Nations system involvement in cooperation for development, to be submitted for consideration and approval by the respective legislative organs of the United Nations system organizations.

9. United Nations system organizations support the development of a road map that would facilitate coherent planning and actions across the system. However, the report lacks clarity about how a new operational doctrine would differ from the inter-agency principles currently in place. The recommendation will be further reviewed in the context of the future agenda of the High-level Committee on Programmes.

Recommendation 6

To streamline the planning, programming and budgetary cycle and to facilitate supervision by the General Assembly, the Secretary-General should present for consideration and approval of the General Assembly:

(a) A long-term planning instrument of a minimum of 10 years that identifies those agreed goals related to the United Nations mission and mandate, as well as the objectives that would contribute to the attainment of such goals, and that provides an overall forecast of the resource requirements for information purposes;

(b) Medium-term programmes for the first phase of implementation of the long-term plan, with estimates, for information purposes, of the overall resources required for the period, both regular and extrabudgetary;

(c) A biennial operational "rolling" budget to appropriate resources linked to specific activities (expected results);

(d) A single annual performance accountability report on programme implementation, which would facilitate the annual reviews to be conducted by the General Assembly to adjust the biennial budget and adapt it to new mandates and requirements.

Recommendation 7

In the light of the new results-based management approach and after 20 years of experience in the implementation of the budgetary process adopted through its resolution 41/213, the General Assembly may wish to revisit the current budgetary process on the basis of the Secretary-General's submission proposed in recommendation 6.

10. In respect of recommendations 6 and 7, it is noted that the General Assembly decided to maintain the biennial strategic framework as the principal policy directive of the United Nations, which serves as the basis for programme planning, budgeting, monitoring and evaluation, with effect from the biennium 2010-2011. The Assembly took that decision in adopting its resolution on programme planning, by which it endorsed the recommendations of the Committee on Programme and Coordination as contained in chapter III, section A, of its report (A/62/16), relating to the experience gained in the planning and budgeting process (see A/62/81).

Recommendation 8

The Secretary-General should present to the General Assembly for consideration and approval a concrete proposal of a reliable management information system to support in an integrated manner the results-based management process within the context of the comprehensive information management strategy to be drawn up. The system should be conceptually and technically able to cope with all planning, programming, budgeting, monitoring, evaluation and reporting functions, including the human resources management and financial components. The project should be prepared in full consultation with all end-users, including the field offices, and designed in its final setting only after all other results-based management components have been agreed upon.

11. The Secretary-General supports the recommendation. The General Assembly has decided to replace the Integrated Management Information System with a next-generation enterprise resource planning system (see resolution 60/283), which integrates the data and processes of the Organization into a unified system and offers a depth of functionality in accounting, reporting, analysis, financial supply chain and treasury management, providing a robust financial and management reporting system that will ensure the highest level of business analysis and governance and support, in an integrated manner, results-based management.

Recommendation 9

The Secretary-General should:

(a) Issue evaluation guidelines that define the different types, levels and timing of evaluations;

(b) Ensure that resources are clearly allocated for evaluation purposes;

(c) Align the Organization's evaluation plan with the planning, programming and budgeting cycle, ensuring that evaluation findings and lessons learned are fed back into subsequent cycles;

(d) Approve midterm evaluation plans that combine self-evaluations with internal and external evaluations and report on their implementation.

12. The Secretary-General concurs with the thrust of the recommendation, in particular the assertion by the Joint Inspection Unit that the findings and recommendations of the evaluative processes must be used effectively through timely reporting and feedback. Evaluations and lessons learned provide major input for the planning, programming, budgeting, monitoring, evaluation and reporting cycle, as well as for policy development. The report of the Secretary-General on results-based management (A/62/701) describes the proposals for strengthening the role of evaluation in the Secretariat and improving the links between monitoring, evaluation, programme planning and budgeting.

Recommendation 10

To internalize the concept and practice of results-based management within the Organization, the Secretary-General should:

(a) Assign a clear institutional responsibility to a defined entity within the Organization to assist and oversee the orderly and systematic introduction of results-based management and ensure its coherent implementation within the Organization;

(b) Develop a training strategy that would promote change management throughout the Organization and through which managers and staff at all levels would be familiarized with results-based management concepts and requirements, and its impact on their own work.

13. The Secretary-General concurs with this recommendation. The report of the Secretary-General on results-based management addresses the issue of the internalization of such management by proposing the establishment of a central results-based management capacity to institutionalize it fully within the Secretariat. The report also contains proposals for the development of a training strategy which would include training for senior managers and staff at large on basic results-based management concepts and the regulations and rules relating to programme planning, budgeting, monitoring and evaluation. Furthermore, additional technical training would be offered to staff involved in monitoring and evaluation.

Recommendation 11

The Secretary-General should develop a comprehensive strategy for knowledge management. It should be closely linked to the development of the comprehensive information management strategy and include related measures

in the area of human resources management to promote the required culture change.

14. The Secretary-General agrees with this recommendation within the limitations of available resources. The report of the Secretary-General on results-based management addresses this issue, emphasizing that knowledge management and sharing is needed to facilitate organizational learning, as pointed out by results-based management practitioners in the United Nations system organizations. Recommendations made by the Office of Internal Oversight Services in its recent in-depth evaluation on the subject (E/AC.51/2006/2) have also been taken into consideration. Furthermore, the post of Chief Information Technology Officer which was established recently is intended to address the need for a Secretariat-wide strategy for information- and knowledge-sharing. These efforts are closely linked to the establishment of an organization-wide document/content management system and the enterprise resource planning system currently under consideration by the General Assembly.

Recommendation 12

The Secretary-General should draw up, for consideration and approval by the General Assembly, a system of delegation of authority and related accountability in line with the Joint Inspection Unit benchmarking framework for results-based management. A set of regulations and rules for planning, programming, budgeting, monitoring and evaluation should be drawn up to institutionalize the system of delegation of authority and accountability as an integral part of results-based management. The current financial and staff regulations and rules should be expanded to include additional provisions on delegation of authority, in particular in the area of programme performance. These new rules and regulations should become the legal backbone of the system and part of the internal control system required for implementing accountability.

15. The Secretary-General agrees in principle with this recommendation. The specific implications of any system of results-based management for regulations and rules and delegation of authority will be considered once the General Assembly has considered the report of the Secretary-General on accountability, results-based management and enterprise risk management.

16. The Office of Human Resources Management is currently reviewing the overall system of delegation of authority in human resources management to ensure greater consistency in the exercise of delegated authority and to enhance accountability mechanisms. These efforts will be an integral part of ongoing initiatives to streamline the Staff Regulations and Rules. Guidelines pertaining to the delegation of financial management authority have been finalized, bringing all delegations in line with the revised Financial Regulations and Rules of the United Nations (ST/SGB/2003/7).

Recommendation 13

The General Assembly should request the Secretary-General to present to it, for consideration and approval, a transparent, swift, independent and equitable system of administration of justice in accordance with the guidelines contained in benchmark 8 of the benchmarking framework for the implementation of

results-based management approved by the Assembly through its resolution 60/257 and the comments made in paragraphs 115 to 117 of the report of the Joint Inspection Unit.

17. The General Assembly made a number of requests of the Secretary-General in its resolution 59/283. In his report on the administration of justice (A/61/342), the Secretary-General reported to the General Assembly on the implementation of that resolution, focusing specifically on measures taken to implement the decisions and requests contained in sections I and III thereof, including those undertaken to implement the recommendations of the Office of Internal Oversight Services contained in its report on the management review of the appeals process at the United Nations (see A/59/408).

18. In section IV of resolution 59/283, the General Assembly decided that the Secretary-General should form a panel of external and independent experts to consider redesigning the system of administration of justice. The panel was requested to propose a model for a new system for resolving staff grievances in the United Nations that was independent, transparent, effective, efficient and adequately resourced and that ensured managerial accountability.

19. The Redesign Panel on the United Nations system of administration of justice was established in January 2006 and, on 20 July 2006, it submitted its report to the Secretary-General for transmission to the General Assembly (see A/61/205). Pursuant to the request of the General Assembly contained in resolution 59/283, the Secretary-General submitted to the General Assembly at the resumed sixty-first session his comments on the recommendations of the Redesign Panel, including an estimate of time and resources needed for their implementation (see A/61/758).

20. The report of the Redesign Panel and the Secretary-General's comments thereon were considered by the Sixth Committee (see A/61/460 and Add.1), the Advisory Committee on Administrative and Budgetary Questions (see A/61/815) and the Fifth Committee (see A/61/832). On 4 April 2007, the General Assembly adopted resolution 61/261, by which it decided to establish a new, independent, transparent, professionalized, adequately resourced and decentralized system of administration of justice consistent with the relevant rules of international law and due process to ensure the rights and obligations of staff members and the accountability of managers and staff members alike. The system is to be implemented no later than January 2009.

21. In his report on the administration of justice (A/62/294), the Secretary-General responded to the General Assembly's request for supplementary details and background information on the new system. That report was considered by the Sixth Committee, the Advisory Committee on Administrative and Budgetary Questions (see A/62/7/Add.7) and the Fifth Committee (see A/62/597). At the sixty-second session, the General Assembly adopted resolution 62/228, which built on the framework of resolution 61/261 and retained the essence of the Redesign Panel's recommendations. The main features of the new system will be: (a) an Office of Administration of Justice, which will have overall responsibility for the coordination of the system of justice; (b) a single, integrated and decentralized Office of the Ombudsman for the United Nations Secretariat, funds and programmes (the process for selecting the Ombudsman provides for a selection committee that includes staff participation); (c) a Mediation Division within the Office of the Ombudsman to perform mediation services for the United Nations Secretariat, funds

and programmes; (d) a management evaluation function that serves as a tool for executive heads to hold managers accountable for their decisions, including in cases where an improper decision has been taken; (e) a two-tier formal system of justice, comprising a first instance United Nations Dispute Tribunal and an appellate instance United Nations Appeals Tribunal, both staffed by professional judges; (f) a new Office of Staff Legal Assistance to provide professional legal advice to staff; and (g) an Internal Justice Council to help ensure independence, professionalism and accountability in the system of administration of justice.

22. The new system of justice is expected to meet the guidelines contained in benchmark 8 for a transparent, swift, independent and equitable system of administration of justice.

Recommendation 14

The Secretary-General should review those staff administration rules which give rise to an inordinate number of appeals.

23. The Staff Regulations and Rules and related administrative issuances are updated and revised on a regular basis, taking into account difficulties with implementation or interpretation that are brought to the attention of the Office of Human Resources Management by management or staff members. As the Secretary-General indicated in paragraph 260 of his report entitled "Investing in people" (A/61/255), the Staff Rules would be reviewed within 6 to 12 months of approval by the General Assembly of the proposals. In that regard, every effort continues to be made to review and simplify the rules, including those that give rise to most appeals.

Recommendation 15

The Secretary-General should take action to improve the PAS for it to become an efficient management tool in line with results-based management requirements. In particular, he should ensure that:

(a) All staff members and managers, including at the Director level, are evaluated and their overall performance rated, taking into account a 360 degree feedback process;

(b) The results of the PAS are at the basis of all personnel actions and related reward incentives (promotions, step increases, recognitions, etc.) or sanctions;

(c) A review panel is established to ensure the quality, consistency and fairness of the appraisal reports across the Organization and to provide guidance to managers in harmonizing the use of ratings;

(d) The performance management system is aligned with the programmatic workplans.

24. The action plan under the proposed results-based management framework includes an initiative to align organizational systems to provide better support for results-based management, including aligning workplans with the e-PAS and the strategic framework cycle. With regard to subparagraph (a), the current performance appraisal system (PAS) includes staff at the Director level. The Staff Management Coordination Committee, at its session in June 2006, agreed to establish a

staff management working group to review performance management as a whole, including feedback mechanisms as may be deemed appropriate and a reward and recognition programme.

25. With regard to subparagraph (b), PAS is linked to other human resources systems, such as recruitment, promotion, mobility and training. Superior performance is recognized through feedback and comments on the e-PAS form. PAS provides a documented means to support decisions about work assignments and career progression, taking into account performance appraisal. PAS provides a structured means to address performance gaps at an early date so that both the supervisor and the staff member clearly understand what must be done to bring performance up to agreed standards. The basis for a decision to award or withhold a salary increment is subject to the performance record of the staff member as documented by PAS.

26. With regard to subparagraph (c), monitoring mechanisms are built into PAS at the departmental level to ensure consistency of all phases of PAS, including harmonizing the use of ratings. The Management Review Committee and the Joint Monitoring Committee, as provided for in administrative instruction ST/AI/2002/3, carry out the monitoring. With regard to subparagraph (d), the PAS goals for each staff member should be closely aligned with programmatic goals as envisaged under the results-based management framework.

Recommendation 16

As a way to support the United Nations results-based management approach, the Secretary-General should develop an incentive and pay-for-performance scheme for the consideration of the General Assembly. It should be based on the following premises:

(a) Strong and reliable performance management and accountability systems have to be in place as prerequisites;

(b) The "rules of the game" regarding performance management and its consequences are made clear at the time of recruitment;

(c) Objective criteria are set out to ensure consistency across an organization;

(d) An impartial panel is created to review the consistency and fairness of the distribution of awards;

(e) A staff survey is conducted to identify the key motivational factors underlying the staff performance;

(f) Extensive consultations are held with all the interested parties.

27. The Secretary-General agrees in principle with this recommendation, although it should be pointed out that the development of a formal incentive and pay-for-performance scheme would need the approval of the General Assembly. The report of the Secretary-General on results-based management discusses the need for an incentive scheme to reward staff for focusing on results and to establish a link between performance and career success. In fact, the review of results-based management shows that efforts to implement it in agencies and national Governments often fade over time through lack of central support, guidance, skills

enhancement and incentives. The action plan under the results-based management framework therefore includes an initiative to develop an informal incentive scheme in support of results-based management.

28. The matter of pay-for-performance is currently under consideration by the International Civil Service Commission (ICSC), which reaffirmed at its most recent session the importance of applying a greater weight based on results achieved in terms of performance management, competency development and accountability. The Commission is also monitoring progress on pilot projects on pay-for-performance with a view to making recommendations on the subject in the future. In its resolution 59/268, the General Assembly decided that no new strategy or pilot project in broad banding or pay-for-performance should be undertaken until the General Assembly had had an opportunity to review the results of the pilot study on broad banding and pay-for-performance being conducted by the Commission. At this juncture, the Secretariat will monitor those pilot projects through ICSC.

Recommendation 17

The Secretary-General should review the current recruitment, placement and promotion process, through an independent evaluation, to make it more objective, measurable and acceptable, and should ensure the following:

(a) Vacancy announcements should better reflect the expected competencies, core values and skills for each post and the related relative weight of each skill;

(b) Selection criteria should be based on the expected competencies, core values and skills;

(c) Selection criteria should be easily verifiable and/or quantifiable;

(d) Central review bodies should play a more active advisory role;

(e) Managers should be properly supported and advised by human resources services;

(f) The entire process should be fully transparent;

(g) The selection decision should be taken through a comparative evaluation that should be recorded and that should document which of the candidates is the best;

(h) Managers should be accountable for their decisions if, in case of appeals, the organs of administration of justice find wilful wrongdoing during the selection process;

(i) Selection procedures should be applied to all posts at all levels.

29. The staff selection system has been amended, taking into account recommendations made by the Staff Management Coordination Committee and approved by the Secretary-General (see ST/AI/2006/3). With regard to vacancy announcements, ongoing revisions are being made to the generic job profiles with a view to accurately reflecting expected competencies, values and skills, so that they are, inter alia, clear and easily verifiable. The central review bodies play an extensive role in ensuring that that the process for the filing of vacancies is followed properly. With regard to selection decisions, authority has been given to heads of

department, who select a candidate from a recommended list, as long as that list is populated under established procedures. In addition, as approved by the General Assembly in section XIII, paragraph 2, of its resolution 61/244, the Secretariat is currently introducing a new e-staffing tool with the flexibility to meet the Organization's changing needs.

30. Building on these improvements, the Secretary-General has made further proposals for the development of a more proactive, targeted and speedy recruitment system. These proposals are contained in his report to the General Assembly entitled "Investing in people".

Recommendation 18

The Secretary-General should review the current contractual arrangements and submit concrete proposals for consideration and approval by the General Assembly taking into account the following guidelines:

(a) Contractual arrangements should be closely aligned with the type and duration of the function performed, easy to administer, fair and transparent;

(b) They should be not only linked to compensation and cost savings, but seen as an integral element of the performance management system;

(c) All contracts should be under a single series;

(d) There should be only two categories of contract: indefinite contracts for the career staff performing core functions, and fixed-term contracts for staff working in other functions (short-term assignments, projects, etc.);

(e) The contracts should be explicit regarding career and work expectations;

(f) The need to honour the current status of staff holding permanent contracts should be recognized.

31. The Secretary-General accepts the general recommendation, which is broadly in line with his proposals for contractual arrangements. The proposals call for the introduction of one United Nations staff contract under one set of staff rules, which will ensure greater equity in the treatment of staff. The means of aligning human resources with strategic objectives that are suggested are in line with the recent proposals made by the Secretary-General to the General Assembly in his report entitled "Investing in people".

32. However, the guideline in subparagraph (d) would not be acceptable, as it is at variance with the ICSC framework which provides for three types of appointments, namely, temporary, fixed-term and continuing, and the Secretary-General is of the view that the appropriate type of contract should be determined by the duration of service, in accordance with the operational needs of the Organization. It should be noted that staff members holding permanent appointments will not lose that status if these proposals are adopted by the General Assembly.